

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht
 Jay Scott Emler
 Dwight D. Keen

In the Matter of the Application of Kansas Gas)	
Service, a Division of ONE Gas, Inc. to Cease)	
Service as a Natural Gas Utility in a One-Block)	
Area of the Southeast Quarter of Section 16,)	
Township 27, South Range 1 East in Wichita)	Docket No. 19-KGSG-042-CCS
Kansas, Specifically Lots 538 and 542 Located)	
On Elm Street, Lots 513, 514, 519, 520, 521, 523)	
And 530 Located on North Indiana Street and)	
Lots 1210 and 1300 Located on East Central)	
Avenue, all within Sedgwick County, Kansas)	

**ORDER GRANTING APPLICATION TO CEASE TRANSACTING THE BUSINESS OF
AN ELECTRIC PUBLIC UTILITY**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas ("Commission") for consideration of determination. Having examined its files and records and being fully advised in the premises, the Commission finds and concludes as follows:

I. BACKGROUND

1. On July 30, 2018, Kansas Gas Service (KGS), a Division of ONE Gas, Inc., filed an Application for Authority to Cease Service ("Application") as a natural gas utility in a one City block area in Wichita, Kansas. KGS is a natural gas public utility as defined in K.S.A 66-104. A public hearing was neither requested nor held on KGS's Application.

2. KGS requests the Commission issue an Order granting it the authority to cease operating as an electric public utility in the following described territory located in Sedgwick County, Wichita, Kansas, to wit:

A one-block area contained within the Southeast Quarter (SE/4) of Section Sixteen (16), Township Twenty-Seven (27) South, Range One (1) East in Wichita, Kansas;

specifically, Lots 538 and 542 located on Elm Street, Lots 513, 514, 519, 520, 521, 523 and 530 located on North Indiana Street, and lots 1210 and 1300 located on East Central Avenue, all within Sedgwick County, Kansas.

3. This retail territory of the City of Wichita is dually certified to KGS and Black Hills Energy (BHE), and the two companies have mains running parallel to each other.¹ KGS has two residential meters in the area to be abandoned, neither residence is currently receiving natural gas service from KGS, one due to a customer's non-payment and the other residence was abandoned due to fire.² In the event there are customers that need service in the future, BHE has agreed to continue to provide that service.³

4. On August, 27, 2018, Commission Staff ("Staff") submitted its Report and Recommendation, recommending the Commission grant KGS's Application and its request to cease transacting business as an electric public utility in the territory described in paragraph 2 above.

II. LEGAL STANDARDS AND DISCUSSION

5. Pursuant to K.S.A. 2017 Supp. 66-131, the Commission has jurisdiction to grant a Certificate to any public utility seeking to transact business in the State of Kansas. K.S.A. 66-1,201 et seq., more specifically, gives the Commission full power, authority and jurisdiction to supervise and control natural gas public utilities and is authorized to do anything necessary and convenient for the exercise of such power, authority and jurisdiction.

6. In Docket 99-KGSG-233-GIG (99-233 Docket), KGS and BHE agree only KGS would serve new customers however, BHE, through an agreement with KGS and Commission approval, may serve customers in the territory described in paragraph 2 above.⁴

¹ Commission Staff's Report and Recommendation, at 2. (Aug. 27, 2018).

² *Id.*

³ *Id.*

⁴ *Id.* at 1.

7. Public convenience and safety will be promoted by approving this application. In permitting KGS to cease operating as a natural gas public utility in the territory described in paragraph 2 above, KGS will be allowed to abandon a section of cast iron piping which is prone to leakage, and it will reduce the amount of duplicative facilities in the area. Although they have no customers in the area, BHE's distribution piping is available and they have agreed to serve any new customers that require service.⁵

III. FINDINGS AND CONCLUSION

8. The Commission adopts Staff's analysis and recommendation of August 27, 2018, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that KGS's Application should be granted, and that public convenience and necessity will be promoted by issuing Kansas Gas Service the requested Certificate.

IT IS, THEREFORE, BY THE COMMISSION CONSIDERED AND CERTIFIED:

A. The Application filed herein is granted and Kansas Gas Service is permitted to cease operating as a natural gas public utility in the territory described in paragraph 2 above.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁶

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

⁵ *Id.*

⁶ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 09/11/2018

A handwritten signature in cursive script, reading "Lynn M. Retz", written in dark ink.

Lynn M. Retz
Secretary to the Commission

CAB

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SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Dwight D. Keen

FROM: Jason Kerr, Electric Utility Engineering Technician
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: August 27, 2018

SUBJECT: 19-KGSG-042-CCS
In the Matter of the Application Kansas Gas Service, a Division of ONE Gas, Inc., to Cease Service as a Natural Gas utility in a One-Block Area of the Southeast Quarter of Section 16, Township 27 South, Range 1 East in Wichita, Kansas, specifically Lots 538 and 542 Located on Elm Street, Lots 513, 514, 519, 520, 521, 523 and 530 Located on North Indiana Street and Lots 1210 and 1300 located on East Central Avenue, all within Sedgwick County, Kansas.

EXECUTIVE SUMMARY:

In Docket 19-KGSG-042-CCS, Kansas Gas Service (KGS) is requesting to abandon its service territory in approximately one city block in Wichita, Kansas. The retail gas territory in question is dually certified to KGS and Black Hills Energy (BHE). KGS has two residential meters in the area, but neither are currently receiving utility service. Although BHE has no customers in this area, their distribution piping is available, and they have agreed to serve any new customers that may require service.

In Docket 99-KGSG-233-GIG (99-233 Docket), KGS and BHE agreed that only KGS would serve new customers in this portion of Wichita. However, the Agreement approved in the 99-233 Docket allows BHE to provide new service if the companies agree and the Commission approves the customer change.

Staff recommends that the Commission grant this Application.

BACKGROUND:

KGS filed the above-captioned Application on July 30, 2018, requesting authority to cease service in a one City block area in Wichita Kansas. This section of the City of Wichita is dually certified to KGS and BHE, and the two companies have mains running parallel to each other through the center of the designated area. KGS intends to abandon their cast iron main which will leave BHE with the only active main in the area. BHE has indicated their willingness to continue to provide natural gas service to any customers in the area. KGS currently has two residential meters in the area to be abandoned, but because of a customer's non-payment status and an abandoned house due to fire, no customers are currently receiving natural gas service from KGS.

On August 22, 2018, KGS mailed both home owners of their intention to abandon service. Included in the mailer was a map of the location to be abandoned, instructions on how to obtain service from Black Hills, and information on how to contact the Commission if they had any concerns.

ANALYSIS:

Historically, the City of Wichita has been dually certified to KGS and BHE. In older parts of the city, there are areas in which both companies have gas distribution facilities that are located in the same right-of-way and may have adjacent homes served by different gas companies. In the 99-233 Docket, the Commission determined that competition between natural gas distribution suppliers should not be permitted to compromise public safety and that duplicative distribution facilities in and around the City of Wichita created legitimate safety concerns. To reduce the amount of duplicative facilities, the Commission directed the companies to continue to review existing dual-piped areas and reduce or minimize dual main installations in a mutually agreeable and equitable manner.¹

Approval of the subject Docket will allow KGS to abandon a section of cast iron piping which is prone to leakage, and it will reduce the amount of duplicative gas mains in Wichita.

The Commission Action date is January 25, 2019.

RECOMMENDATION:

Staff recommends that the Commission grant this Application to KGS for Authority to cease service in the above described one block are of the City of Wichita.

¹ See Docket 99-KGSG-233-GIG. Order Approving Joint Recommendation and Closing Docket, December 9, 1999.

CERTIFICATE OF SERVICE

19-KGSG-042-CCS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on 09/12/2018.

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/S/ DeeAnn Shupe

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